

Message Text

LIMITED OFFICIAL USE

PAGE 01 OECD P 28892 01 OF 03 052132Z

66

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

EA-07 FRB-03 INR-07 IO-10 NEA-10 NSAE-00 OPIC-03

SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 OMB-01 DOTE-00

SS-15 /090 W

----- 014906

R 052114Z NOV 75

FM USMISSION OECD PARIS

TO SECSTATE WASH DC 9109

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

USMISSION EC BRUSSELS

LIMITED OFFICIAL USE SECTION 01 OF 03 OECD PARIS 28892

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 28892 01 OF 03 052132Z

DEPT PASS DAS SHERWIN, USDOC

E.O. 11652: N/A

TAGS: EIND, ETRD, OECD

SUBJECT: INDUSTRY COMMITTEE ENLARGED BUREAU: AUSTRALIAN
PROPOSAL FOR AUTOMOBILE INDUSTRY STUDY

REF: OECD PARIS 28018

SUMMARY: AUSTRALIAN REP TO INDUSTRY COMMITTEE
ENLARGED BUREAU OCTOBER 23-24 PROPOSED IC SECTORAL STUDY
OF AUTOMOTIVE INDUSTRY. SUBSEQUENTLY, OECD SECRETARIAT
REVIVED EARLIER VAN LENNEP IDEA FOR CAR INDUSTRY STUDY
WHICH WOULD GO BEYOND APPARENT AUSTRALIAN INTENTION AND
WOULD INVOLVE TRADE POLICY IMPLICATIONS. THESE INITIA-
TIVES PRESENT USG WITH THREE BROAD CHOICES: (1) SEEK TO
KILL ANY CAR STUDY, OFFERING ADEQUATE JUSTIFICATION FOR
REFUSING TO CONSIDER PROBLEM OTHERS WISH TO STUDY; (2)
SUPPORT INDUSTRY COMMITTEE CAR STUDY CONCENTRATING ON
STRUCTURAL DEVELOPMENTS IN AUTO INDUSTRY DEFERRING DECI-
SION AS TO WHETHER OR IN WHICH FORUM TO HOLD POLICY
DISCUSSION, OR (3) SUPPORT STUDY RELATED TO EARLY POLICY
DISCUSSION IN APPROPRIATE OECD FORUM, E.G. XCSS. LATTER
WOULD BE APPROPRIATE IF IT WOULD HELP DEFUSE PRESSURES
OTHERWISE HARD TO CONTROL FOR MUTUALLY HARMFUL NATIONAL
POLICIES. ACTION REQUESTED: EARLY GUIDANCE FOR MISSION
AND APPROPRIATE INSTRUCTIONS FOR US REP TO NOVEMBER 19-
21 INDUSTRY COMMITTEE. END SUMMARY

1. PRIOR TO MEETING OF INDUSTRY COMMITTEE'S ENLARGED
BUREAU (REFTEL), AUSTRALIAN DELEGATE TOLD US THAT HIS
REPRESENTATIVE CONTEMPLATED PROPOSING STUDY OF MOTOR
VEHICLE INDUSTRY AS PART OF INDUSTRY COMMITTEE 1976 WORK
PROGRAM. RATIONALE WAS THAT AUTOMOBILE INDUSTRY CUR-
RENTLY FACED MAJOR PROBLEMS IN MANY OECD COUNTRIES.

2. SINCE TIME BEFORE MEETING WAS VERY SHORT, MISSION
TOOK ADVANTAGE OF PRESENCE IN PARIS OF UNDER SECRETARY
ROBINSON AND AMBASSADOR WALKER TO TOUCH BASE BEFORE
RESPONDING TO AUSTRALIANS. WE THEN TOLD AUSTRALIANS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 28892 01 OF 03 052132Z

THAT USG HAD NO VIEW AS TO WHETHER A STUDY OF THE KIND
ENVISAGED WOULD BE USEFUL OR AS TO HOW IT SHOULD BE
STRUCTURED. THEREFORE OUR INFORMAL VIEW WAS THAT WE
WOULD PREFER THAT THE AUSTRALIAN PROPOSAL NOT BE ADVANCED
AT THIS TIME. WE INFORMED THE US REP TO THE INDUSTRY
COMMITTEE ENLARGED BUREAU (DEPUTY ASST. SECY. OF COMMERCE
SHERWIN), UPON HIS ARRIVAL IN PARIS, THAT WE HAD TAKEN
THIS POSITION.

3. DESPITE OUR COMMENT, AUSTRALIAN DELEGATE WOODS,
DEPUTY SECRETARY, DEPARTMENT OF MANUFACTURING INDUSTRY,
DID PUT FORWARD THE PROPOSAL AT THE ENLARGED BUREAU
MEETING OCTOBER 23-24. PROPOSAL WAS NOT ACCOMPANIED BY

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 OECD P 28892 02 OF 03 052134Z

66

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

EA-07 FRB-03 INR-07 IO-10 NEA-10 NSAE-00 OPIC-03

SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 OMB-01 SS-15

DOT-00 /090 W

----- 014912

R 052114Z NOV 75

FM USMISSION OECD PARIS

TO SECSTATE WASH DC 9110

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO
AMEMBASSY VIENNA
AMEMBASSY WELLINGTON
USMISSION EC BRUSSELS

LIMITED OFFICIAL USE SECTION 02 OF 03 OECD PARIS 28892
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 28892 02 OF 03 052134Z

DOCUMENTATION OTHER THAN PASSING REFERENCE IN AUSTRALIAN
NOTE ON 1976 WORK PROGRAM.

4. AT THE MEETING, COMMENT ON THE AUSTRALIAN PROPOSAL WAS LIMITED. THE SWEDES APPEARED INTERESTED. THE GERMANS WERE NEGATIVE. JAPANESE AND ITALIAN DELS WERE SILENT. SOME DELS ATTEMPTED, ALTHOUGH WITHOUT MUCH SUCCESS, TO ELICIT FROM AUSTRALIANS MORE PRECISELY WHAT THEY HAD IN MIND. US DEL ASKED FOR MORE SPECIFICS AND TERMS OF REFERENCE, NOTING US DEPARTMENT OF COMMERCE IS CURRENTLY CONDUCTING COMPREHENSIVE STUDY OF AUTO INDUSTRY. HE ADDED THAT 1976 WORK PROGRAM PROPOSAL OF SECRETARY GENERAL WOULD FULLY UTILIZE SECRETARIAT RESOURCES THUS LIMITING ITS ABILITY TO UNDERTAKE MAJOR NEW INITIATIVE. US DEL CONCLUDED THAT WE WOULD REQUIRE DEFINITIVE PROPOSAL IN ORDER TO FORMULATE A COORDINATED US POLICY DECISION.

5. UPSHOT OF DISCUSSION WAS BUREAU AGREEMENT TO REFER AUSTRALIAN PROPOSAL TO NOVEMBER IC MEETING "WITHOUT COMMENT."

6. PERMANENT AUSTRALIAN DELEGATION SUBSEQUENTLY TOLD US THEY DO NOT CONTEMPLATE SUBMITTING A PAPER TO NOVEMBER IC MEETING TO SUPPORT THEIR IDEA WHICH, THEY EXPLAINED, ORIGINATED WITH WOODS. WOODS, DESCRIBED AS INDUSTRY EXPERT WITH ONLY MARGINAL INTEREST IN TRADE, DEVELOPED IDEA OF POSSIBLE OECD STUDY TO COMPLEMENT GOA STUDY AFTER SEVERAL MONTHS OF TRAVEL TO OBSERVE STATUS OF INDUSTRY IN OTHER COUNTRIES. WOODS IS REPORTEDLY CONCERNED WITH LONG-TERM STRUCTURAL PROBLEMS CONFRONTING THE INDUSTRY, WHICH HE STATES HAS BECOME HIGHLY INTERNATIONAL IN TERMS OF THE DISTRIBUTION OF CONTRACTORS MANUFACTURING COMPONENT PARTS. THE AUSTRALIANS ARE CONCERNED WITH SUCH ISSUES AS THE IMPLICATIONS OF HIGHER ENERGY PRICES, MASS TRANSPORTATION, EMISSION CONTROLS, CHANGING CONSUMER DEMAND, ETC. ACCORDING TO AUSTRALIAN DEL, GOA WOULD BE DELIGHTED IF OECD UNDERTOOK SUCH STUDY, BUT IS NOT PRE-

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 28892 02 OF 03 052134Z

PARED TO PUSH FOR SAME IN NEAR FUTURE.

7. IN FURTHER DEVELOPMENT, SECRETARIAT HAS INFORMALLY CONTACTED US AND OTHER KEY DELEGATIONS TO SEEK VIEWS ON POSSIBLY MORE COMPREHENSIVE AUTOMOTIVE SECTORAL STUDY, REVIVING EARLIER VAN LENNEP PROPOSAL, WHICH COULD INCLUDE INTERNATIONAL POLICY IMPLICATIONS. SEE MISSION'S 03925. FORUM FOR STUDY REMAINS OPEN--POSSIBILITIES INCLUDE XCSS, AD HOC COUNCIL WORKING PARTY, INDUSTRY COMMITTEE, ETC. WE WERE ASKED WHETHER SUCH STUDY, OR STUDY INVOLVING PARTICULAR ASPECTS OF PROBLEMS OF CAR INDUSTRY WOULD BE USEFUL. SECRETARIAT HAS INFORMALLY PROVIDED US WITH OUTLINE OF POSSIBLE STUDY (PROTECT, SINCE DOCUMENT NOT RPT NOT AUTHORIZED FOR RELEASE TO DELEGATIONS).

8. TEXT OF OUTLINE FOLLOWS:
BEGIN TEXT

I. INTRODUCTION

1. DEFINITION OF THE SECTOR; IMPORTANCE IN NATIONAL ECONOMIES
2. EXAMINATION OF STRUCTURAL RATHER THAN CYCLICAL ASPECTS
3. TIME HORIZONS: 2-5 YEARS RATHER THAN 10-20 YEARS AHEAD
4. GEOGRAPHICAL AREA: THE OECD COUNTRIES, AND THEIR EXPORT MARKETS
5. NATURE AND AIMS OF THE REPORT

II. DEMAND AND SUPPLY

1. RECENT AND CURRENT DEMAND TRENDS:
 - (A) NUMBER OF UNITS
 - (B) TYPES OF VEHICLE
2. CAUSES OF CURRENT DEMAND TRENDS
3. RECENT AND CURRENT PRODUCTION TRENDS
4. RELATIVE CURRENT POSITION OF OECD PRODUCING COUNTRIES
5. RELATION OF MOTOR VEHICLE PRODUCTION TO CURRENT TRENDS IN INDUSTRIAL PRODUCTION GENERALLY
6. FACTORS DETERMINING FUTURE DEMAND TRENDS

III. STRUCTURE OF THE INDUSTRY: CURRENT POSITION AND
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 OECD P 28892 02 OF 03 052134Z

TRENDS

- 1. VEHICLE MANUFACTURERS:
 - (A) CARS
 - (B) COMMERCIAL VEHICLES
- COMPONENT MANUFACTURERS

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 OECD P 28892 03 OF 03 052204Z

66

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

EA-07 FRB-03 INR-07 IO-10 NEA-10 NSAE-00 OPIC-03

SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 OMB-01 DOTE-00

SS-15 /090 W

----- 015278

R 052114Z NOV 75

FM USMISSION OECD PARIS

TO SECSTATE WASH DC 9111

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY VIENNA
AMEMBASSY WELLINGTON
USMISSION EC BRUSSELS

LIMITED OFFICIAL USE SECTION 03 OF 03 OECD PARIS 28892
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 28892 03 OF 03 052204Z

DISTRIBUTION AND SERVICING

2. SIZE OF FIRMS; DEGREE OF INTEGRATION; CONCENTRATION; DIVERSIFICATION
3. LOCATION, AND FACTORS INFLUENCING LOCATION
4. INVESTMENT REQUIREMENTS
5. TECHNOLOGICAL ASPECTS
6. ECONOMIC CHARACTERISTICS, INCLUDING ECONOMIES OF SCALE, RATE OF UTILIZATION OF PLANT

IV. LABOR ASPECTS

1. NUMBERS EMPLOYED, IN DIFFERENT SUB-SECTORS
2. QUALITY OF MANPOWER REQUIRED
3. LABOR PROBLEMS SPECIFICALLY AFFECTING SHORT AND MEDIUM TERM TRENDS IN THE INDUSTRY

V. GOVERNMENT MEASURES

1. GOVERNMENT MEASURES TAKEN RECENTLY OR ENVISAGED:
 - (A) AFFECTING THE STRUCTURE OF THE INDUSTRY
 - (B) AFFECTING THE LABOR POSITION
2. LONGER TERM GOVERNMENT VIEWS AND PLANS AFFECTING THE INDUSTRY

VI. INTERNATIONAL RELATIONS

1. TRADE
 - RECENT AND CURRENT TRENDS FOR:
 - (A) VEHICLES
 - (B) COMPONENTS
 - GOVERNMENT MEASURES IN THE TRADE FIELD
2. INTERNATIONAL INVESTMENT
 - RECENT AND CURRENT TRENDS
 - GOVERNMENT MEASURES

VII. CONCLUSIONS

RECOMMENDATIONS
(IN THE FORM APPROPRIATE TO THE AIMS OF THE REPORT,
OR THE OECD ACTION DECIDED ON) END TEXT

9. COMMENT: AUSTRALIAN AND SECRETARIAT INITIATIVES
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 28892 03 OF 03 052204Z

PRESENT US WITH THREE BROAD OPTIONS:

(1) WE COULD SEEK TO PREVENT ANY AUTOMOTIVE STUDY AT THIS TIME. IF USG CHOOSES THIS OPTION, OUR POSITION SHOULD BE SUPPORTED BY EFFECTIVE JUSTIFICATION. IF PROJECT GAINS SUBSTANTIAL SUPPORT IN INDUSTRY COMMITTEE OUR BLOCKING IT WOULD BE AWKWARD IN VIEW OF GENERAL OECD PRACTICE IN THAT NO ONE COUNTRY STANDS IN THE WAY OF A STUDY DESIRED BY THE MAJORITY. WE SHOULD NOT BE IN A POSITION OF VETOING STUDY TO WHICH SIGNIFICANT BODY OF OPINION ATTACHES HIGH PRIORITY IF ONLY BECAUSE USG IS GENERALLY THE INITIATOR OF MOST PROPOSALS FOR A STUDY IN THIS ORGANIZATION.

(2) WE COULD SUPPORT AUSTRALIAN PROPOSAL FOR INDUSTRY COMMITTEE STUDY, BUT ARGUE THAT TRADE POLICY IMPLICATIONS SHOULD NOT BE DRAWN IN IC DISCUSSIONS. THIS OPTION WOULD PROVIDE US OPPORTUNITY TO DEFER DECISION ON WHETHER TO DRAW ON STUDY FOR SUBSEQUENT POLICY DISCUSSION EITHER IN OECD FORUM OR IN GENEVA MTN TALKS, OR TO ALLOW DISCUSSION OF STUDY TO REMAIN LARGELY IN REASONABLY LOW KEY IC FRAMEWORK.

(3) AGREE TO A POLICY-ORIENTED SECTORAL STUDY AND DISCUSSION AS PROPOSED BY SECRETARIAT. THIS COURSE WOULD BE APPROPRIATE IF WE BELIEVE EARLY DISCUSSIONS WOULD DEFUSE PRESSURES WHICH WOULD BE OTHERWISE HARD TO CONTROL FOR MUTUALLY HARMFUL NATIONAL POLICIES.

10. THESE OPTIONS REQUIRE WASHINGTON DECISION. MISSION WILL NEED EARLY GUIDANCE ON HOW TO RESPOND TO SECRETARIAT. REPRESENTATIVES TO INDUSTRY COMMITTEE MEETING NOVEMBER 19-21 SHOULD BE PREPARED WITH POSITIONS CONSISTENT WITH THE USG'S BASIC DECISION.
TURN EF

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RESEARCH, AUTOMOTIVE INDUSTRY, COMMITTEE MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 05 NOV 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975OECDP28892
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750384-1131
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751172/aaaacmkm.tel
Line Count: 423
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 8
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 OECD PARIS 28018
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 03 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 APR 2003 by ShawDG>; APPROVED <30 SEP 2003 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INDUSTRY COMMITTEE ENLARGED BUREAU: AUSTRALIAN PROPOSAL FOR AUTOMOBILE INDUSTRY STUDY
TAGS: EIND, ETRD, US, AS, OECD
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006